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MEMO FOR THE RECORD

SUBJECT: Overlapping Production on China

1. The fact that at least three NIOs want to produce papers on modernization and reform in China indicates that there must be great consumer interest in this subject. But it also suggests that some pre-planning about how to tackle the subject is called for, both to cope with the overlap, commonalities, and interrelationships inherent in the different papers and to avoid wasting our analytical resources.

2. Undoubtedly papers on the individual areas of reform China is undertaking need doing at some point. But wouldn't it make sense to try to do some kind of framework paper first? We need a better understanding of how the attempts to reform each sector (agricultural, military, political, economic, science and technology) potentially will affect each other, what central problems they are intended to address, and, most importantly, how the attempts to reform various sectors are likely to impact on core aspects of the Chinese society:

- how decisions are made (all reforms imply some degree of decentralization),
- how people are motivated (all reforms imply a movement away from ideology toward more pragmatic (e.g., material) motivations,
- what kind of knowledge and skills are called for (acquisition and spread of modern attitudes, and western science and technology),
- and how social relations are organized (movement from egalitarianism toward merit-based stratification).

Moreover, whether the individual reforms ultimately succeed or fail, merely the attempt to modernize in so many areas simultaneously will probably have major repercussions on China's foreign relations.

3. At a minimum, we believe that a useful first step would be a NICM on the Implications of China's Effort to Modernize. It would focus on the domestic and international consequences that could result from China's effort to introduce, virtually simultaneously, reforms in agriculture, science and technology, the economy, and the military. The approach would be to provide a broad framework of how the various issues are related--particularly how developments in one area may affect prospects for reform in the others.

4. If it is decided not to do a broad framework paper first, the issue of how to deal with overlap and the implications of reform in one area for reform in others will still need attention.



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